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CHAIR



**Rex W. Cowdry, M.D.**  
EXECUTIVE DIRECTOR

## **MARYLAND HEALTH CARE COMMISSION**

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## **MARYLAND HEALTH CARE COMMISSION**

**Thursday, December 17, 2009**

### **Minutes**

Commissioner Falcone called the public meeting to order at 1:00 p.m.

Commissioners present: Conway, Falcone, Fleig, Jefferson, Kan, Krumm, Lyles, McLean, Moore, Ontaneda-Bernales, Petty, Todd, and Worthington. Commissioner Olsen participated via teleconference.

### **ITEM 1.**

#### **Approval of the Minutes**

Commissioner Todd made a motion to approve the minutes of the November 19, 2009 meeting of the Commission, which was seconded by Commissioner Lyles and unanimously approved.

### **ITEM 2.**

#### **Update of Activities**

Rex Cowdry, M.D., Executive Director, said that during the 2009 legislative session, the Maryland General Assembly directed the Maryland Insurance Administration, in consultation with the Maryland Health Care Commission and appropriate stakeholders, to study options to raise or define medical loss ratio requirements in the individual, small, and large group insurance markets. Dr. Cowdry said the Commissioners received a copy of the report to be submitted to the legislature.

Bruce Kozlowski, Center Director for Health Care Financing and Policy, introduced and welcomed Ms. Aisha Pittman to the Commission. Mr. Kozlowski said that Ms. Pittman has been appointed Chief, Health Plan Quality & Performance, within the Center for Health Care Financing and Policy.

Ben Steffen, Center Director for Information Services and Analysis, introduced and welcomed Mr. Ying-Jun Chen to the Commission. Mr. Steffen said that Mr. Chen was appointed as a Health Policy Analyst, Division of Cost and Quality Analysis, within the Center for Information Services and Analysis.

### **ITEM 3.**

#### **ACTION: Renewal of Waiver Permitting Primary Percutaneous Coronary Intervention (PCI) Services without On-Site Cardiac Surgery**

- **Holy Cross Hospital (Docket No. 09-15-0048 WR)**

Dolores Sands, Chief, Specialized Services Policy and Planning, stated that Holy Cross Hospital applied for renewal of its two-year primary PCI waiver. Ms. Sands noted that Holy Cross met the COMAR 10.24.17.05D(1) requirements for institutional resources, physician resources, patient groups suitable for pPCI in setting without on-suite cardiac surgery, institutional volume, and process and outcome measures for ongoing quality assessment. She presented the Executive Director's recommendation that the Commission issue a two-year waiver that permits Holy Cross Hospital to continue to provide primary percutaneous coronary intervention services without on-site cardiac surgery services. Commissioner Conway made a motion that the Commission approve the Executive Director's recommendation, which was seconded by Commissioner Fleig, and unanimously approved. Commissioner Ontaneda-Bernales recused herself from this matter.

#### **ACTION: Application of Holy Cross Hospital for Renewal of its two-year Waiver to Provide Primary PCI without On-Site Cardiac Surgery is hereby APPROVED.**

- **Howard County General Hospital (Docket No. 09-13-0046 WR)**

Sadie Silcott, Health Policy Analyst, stated that Howard County General Hospital applied for renewal of its two-year primary PCI waiver. Ms. Silcott noted that Howard County General Hospital met the COMAR 10.24.17.05D(1) requirements for institutional resources, physician resources, patient groups suitable for pPCI in settings without on-site cardiac surgery, institutional volume, and process and outcome measures for ongoing quality assessment. She presented the Executive Director's recommendation that the Commission issue a two-year waive that permits Howard County General Hospital to continue to provide primary percutaneous coronary intervention services without on-site cardiac surgery services. Commissioner Moore made a motion that the Commission approve the Executive Director's recommendation, which was seconded by Commissioner Todd, and unanimously approved. Commissioner Ontaneda-Bernales recused herself from this matter.

#### **ACTION: Application of Howard County General Hospital for Renewal of its two-year Waiver to Provide Primary PCI without On-Site Cardiac Surgery is hereby APPROVED.**

- **Johns Hopkins Bayview Medical Center (Docket No. 09-24-0049 WR)**

Ms. Silcott stated the Johns Hopkins Bayview Medical Center applied for renewal of its two-year primary PCI waiver. Ms. Silcott noted that Johns Hopkins Bayview Medical Center met the COMAR 10.24.17.05D(1) requirements for institutional resources, physician resources, patient groups suitable for pPCI in settings without on-site cardiac surgery, institutional volume, and process and outcome measures for ongoing quality assessment. She presented the Executive Director's recommendation that the Commission issue a two-year waive that permits Johns Hopkins Bayview Medical Center to continue to provide primary percutaneous coronary intervention services without on-site cardiac surgery services. Commissioner Fleig made a motion that the Commission approve the Executive Director's recommendation, which was seconded by Commissioner McLean, and unanimously approved. Commissioner Ontaneda-Bernales recused herself from this matter.

**ACTION: Application of Johns Hopkins Bayview Medical Center for Renewal of its two-year Waiver to Provide Primary PCI without On-Site Cardiac Surgery is hereby APPROVED.**

- **St. Agnes Hospital (Docket No. 09-24-0047 WR)**

Ms. Sands stated the St. Agnes Hospital applied for renewal of its two-year primary PCI waiver. Ms. Silcott noted that St. Agnes Hospital met the COMAR 10.24.17.05D(1) requirements for institutional resources, physician resources, patient groups suitable for pPCI in settings without on-site cardiac surgery, institutional volume, and process and outcome measures for ongoing quality assessment. She presented the Executive Director's recommendation that the Commission issue a two-year waive that permits St. Agnes Hospital to continue to provide primary percutaneous coronary intervention services without on-site cardiac surgery services. Commissioner Krumm made a motion that the Commission approve the Executive Director's recommendation, which was seconded by Commissioner Todd, and unanimously approved. Commissioner Ontaneda-Bernales recused herself from this matter.

**ACTION: Application of St. Agnes Hospital for Renewal of its two-year Waiver to Provide Primary PCI without On-Site Cardiac Surgery is hereby APPROVED.**

#### **ITEM 4.**

**ACTION: Certification of Need – Baltimore Washington Medical Center (Docket No. -09-02-2292)**

Baltimore Washington Medical Center applied for a Certificate of Need for new construction and renovation at its facility. Eileen Fleck, Health Policy Analyst, presented the staff recommendation. Ms. Fleck said the proposed project would add three mixed-use, general purpose operating rooms to the hospital, build shell space for adding up to three operating rooms

in the future, and expand and renovate surgical support space. She said this project will result in a total of 16 operating rooms at Baltimore Washington Medical Center. The total estimated cost for the project is \$36,160,179, of which BWMC plans to fund the project through the sale of bonds, a cash contribution, and interest income. Staff recommended that the Commission approve the Certificate of Need project subject to a condition. Ms. Fleck noted that the recommended condition is that any future change to the financing plan for this project involving adjustments in rates set by the Health Services Cost Review Commission exclude \$5,568,531 in project costs associated with excess construction costs and certain other related project costs. Commissioner Fleig made a motion to approve the staff recommendation, which was seconded by Commissioner Krumm, and unanimously approved. Commissioner Ontaneda-Bernales recused herself from this matter.

**ACTION: Certificate of Need – Baltimore Washington Medical Center is hereby AWARDED.**

#### **ITEM 5.**

##### **PRESENTATION: Maryland Healthcare-Associated Infections Prevention Plan**

Pam Barclay, Director of the Center for Hospital Services, said that Maryland had been awarded a \$1.2 million Preventive Health and Health Services Block Grant for a 28-month project to coordinate and report State Healthcare-Associated Infection (HAI) Prevention efforts; detect and report State HAI data; and establish a Prevention Collaborative. She said that states receiving Block Grant funds are required to submit a plan to the Secretary of the U.S. Department of Health and Human Services (HHS) no later than January 1, 2010. Ms. Barclay said the Maryland's plans will be consistent with the HHS Action plan; contain measurable 5-year goals and interim milestones for preventing HAIs; and will be reviewed by the Secretary of HHS with a summary report to be submitted to Congress by June 1, 2010. She provided prevention planning activities recommended by the Commission's HAI Advisory Committee and asked for Commission approval to release the report to the Maryland Health Quality and Cost Council. Commissioner Kan made a motion to approve the release of the report, which was seconded by Commissioner Ontaneda-Bernales, and unanimously approved.

**ACTION: Release of the Maryland Healthcare-Associated Infections Prevention Plan, is hereby APPROVED.**

#### **ITEM 6.**

##### **PRESENTATION: Progress Report to the General Assembly required by HB 706 – Electronic Health Records – Regulation and Reimbursement**

David Sharp, Center Director for Health Information Technology, presented key components of the written update the Commission is required to provide to the legislature by January 1, 2010 on the activities related to HB 706, *Electronic Health Records – Regulation and Reimbursement*.

HB 706 requires state-regulated private payers to incentivize provider adoption and meaningful use of electronic health records, designate a statewide health information exchange (HIE), and

designate one or more management service organizations. He noted that the Commission designated the Chesapeake Regional Information System for our Patients (CRISP) in July 2009 as the statewide HIE, and in August 2009 the Health Services Cost Review Commission awarded CRISP \$10 million in initial funding through the hospital all-payor rate setting system.

#### **ITEM 7.**

##### **ACTION: Annual Mandated Health Insurance Services Evaluation: In Vitro fertilization and autism spectrum disorder**

Janet Ennis, Chief, Small Group Market, presented the Annual Mandated Health Insurance Services Evaluation report, as required under Section 15-1501 of the Insurance Article. Ms. Ennis said the annual mandate report includes an analysis on the medical, social, and financial impact of proposed mandates that failed during the preceding legislative session. Ms. Ennis noted that this year's report (prepared by Mercer) included an analysis of two proposed mandates that were evaluated last year; therefore, a financial evaluation only was requested this year. The report analyzed: (1) a modification to the current mandate on coverage for in vitro fertilization (changing the period of infertility from 2 years to 2 year); and, (2) coverage for autism spectrum disorder. Ms. Ennis indicated that the report does not include recommendations on the proposed mandates and the Commission was not required to take a position. Ms. Ennis asked that the Commission approve the release of the report to the General Assembly. Commissioner Jefferson made a motion to approve the release of the report, which was seconded by Commissioner Lyles, and unanimously approved.

**ACTION: Release of the Annual Mandated Health Insurance Services Evaluation Report, is hereby APPROVED.**

#### **ITEM 8.**

##### **PRESENTATION: Annual Report to the General Assembly on the Health Insurance Partnership**

Ms. Ennis presented the annual enrollment update on the Health Insurance Partnership. She noted that the "Partnership" premium subsidy program is designed to provide an incentive for small employers not currently offering group health insurance to offer and maintain insurance coverage for their employees. Ms. Ennis said that the Partnership has been available to certain small employers with 2 to 9 full time employees since October 1, 2008. She provided the most recently available statistics on the program such as the number of businesses enrolled, the number of employees and dependents covered, average group size, average wage of the businesses enrolled, etc. She concluded that the report will be submitted to the General Assembly in early January and posted on the Commission's website.

## **ITEM 9.**

### **ACTION: Report to the General Assembly on Limited Benefit Plan Options in the Small Group Market**

Bruce Kozlowski, Director of the Center for Health Care Policy and Financing, presented the report on Limited Benefit Plan Options in the Small Group Market, as required under SB 637. Mr. Kozlowski said SB 637 tasked the Maryland Health Care Commission to identify potential options for allowing plans with fewer benefits to be sold in the small group market, including the impact of any of the potential options. Mr. Kozlowski noted that Mercer, the Commission's consulting actuary, prepared the report, which addressed two limited benefit plan options: (1) defined benefit plans; and, (2) high deductible benefit plans. He noted that the report covered the pros and cons of both defined benefit plans and high deductible plans. He also indicated that the report included two scenarios under both defined benefit plans and high deductible plans comparing benefits based on annual premiums of \$2,500 per adult, per year. Mr. Kozlowski asked that the Commission approve the release of the report to the General Assembly. After some discussion, the Commission agreed to add language to the report on plan options available to individuals who work for small businesses that do not provide a group policy. Commissioner Fleig made a motion to approve the release of the report, with suggested changes, which was seconded by Commissioner Petty, and unanimously approved.

**ACTION: Release of the Limited Benefit Plan Options in the Small Group Market Report, is hereby APPROVED.**

## **ITEM 10.**

### **ACTION: Report to the General Assembly on Value Based Benefit Design**

Dr. Cowdry reminded the Commission that at last month's public meeting, Dr. Elliot Wicks, Senior Economist for Health Management Associates, provided a summary of his analysis on value-based benefit design and value-based purchasing design, as required under SB 637 of the 2009 legislative session. The report has been distributed to the Commission and Dr. Cowdry asked if there were any questions or concerns. He then asked that the Commission approve the release of the report to the General Assembly. Commissioner Jefferson made a motion to approve the release of the report, which was seconded by Commissioner Fleig, and unanimously approved.

**ACTION: Release of the Value Based Benefit Design Report, is hereby APPROVED.**

## **ITEM 11.**

### **UPDATE: VIRTUAL COMPARE© - Consumer Access to Compare Insurance Plans and Premiums**

Mr. Kozlowski briefed the Commission on the proposed web portal for the small group market, referred to as VIRTUAL COMPARE©. He said Commission staff will post and update quarterly, premium comparisons of health benefit plans issued in the small group market on this web portal. He noted that the RFP for development of the web portal has been distributed to various parties and posted on the state procurement web site. He stated that the proposals to develop VIRTUAL COMPARE© are due by the end of January.

## **ITEM 12.**

### **ACTION: Report to the General Assembly on the Feasibility of Funds for Loan Repayment and Practice Assistance for Maryland Physicians**

Ben Steffen, Director of the Center for Information Services and Analysis, and Rebecca Perry, Chief, Government Relations and Special Projects, presented the report on the Feasibility of Funds for Loan Repayment and Practice Assistance for Maryland Physicians, as required under SB 627 of the 2009 legislative session. Mr. Steffen said SB 627 expands eligibility for Maryland's Loan Assistant Repayment Program, which required a feasibility study to expand State development programs to include assistance to physician practices in medically underserved areas in Maryland and make State economic development funding available for physician practices evolving to medical homes. Ms. Perry summarized the findings and provided the overall recommendation. Mr. Steffen asked that the Commission approve the release of the report to the General Assembly. Several Commissioners suggested the income assumptions used by staff were too high. Mr. Steffen stated that national median income incomes obtained from MGMA were used as Maryland estimates were not available. He noted that the study was not focused on reporting physician income, but rather estimating practice start costs. He said that compensation cannot be ignored since practitioner cost studies suggest that clinician compensation, including wages, benefits, and deferred compensation, account for about 50 percent of practice expense. Commissioner Falcone suggested that consideration be made in removing the table regarding practice expenses and that other data sources be examined to confirm the MGMA estimates or alternatively several scenarios be developed regarding clinician compensation. Commissioner Lyles motioned to approve the release of the report, with Commissioner Falcone's suggested changes, which was seconded by Commissioner Krumm and unanimously approved.

**ACTION: Release of the Feasibility of Funds for Loan Repayment and Practice Assistance for Maryland Physicians report, is hereby APPROVED.**

**ITEM 13.**

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 3:35 p.m., upon motion of Commissioner Kan, which was seconded by Commissioner Krumm, and unanimously approved.